

CENTRAL ADMINISTRATION OF TRAINING PROGRAMS
FOR VA INTERNS OR RESIDENTS

SEPTEMBER 27, 1971.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. TEAGUE of Texas, from the Committee on Veterans' Affairs,
submitted the following

REPORT

[To accompany H.R. 10879]

The Committee on Veterans' Affairs, to whom was referred the bill (H.R. 10879) to amend title 38 of the United States Code to authorize the Administrator of Veterans' Affairs to enter into agreements with hospitals, medical schools, or medical installations for the central administration of a program of training for interns or residents, having considered the same, report favorably thereon, unanimously by voice vote without amendment, and recommend that the bill do pass.

EXPLANATION OF THE BILL

The bill is identical with a draft proposal submitted by the Administrator of Veterans' Affairs to the 91st Congress, which was subsequently introduced as H.R. 11427, 91st Congress. The bill would amend title 38, United States Code, to authorize the Administrator to enter into agreements with hospitals, medical schools or medical installations for the central administration of interns and residency training and would allow him to expend appropriated funds for the purpose of paying to the central administrative body the costs involved for the periods during which the trainee serves with the Veterans' Administration. The reports of the present Administrator and his predecessor, which are included herein, explain in specific detail the procedures which would be authorized for achieving the desired central administration cost. The Committee is persuaded that the enactment of this bill would enhance the VA's ability to participate in this important area of medical personnel training.

COST

The Veterans' Administration advises that the enactment of this proposal would result in no additional net cost to the Government and the committee concurs in this view.

The reports of the Veterans' Administration on its original proposal and on H.R. 472, the identical predecessor to H.R. 10879, follow:

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., May 21, 1971.

HON. OLIN E. TEAGUE,
*Chairman, Committee on Veterans' Affairs, House of Representatives,
Washington, D.C.*

DEAR MR. CHAIRMAN: This will respond to your request for a report by the Veterans' Administration on H.R. 472, 92d Congress.

The bill would amend section 4114(b) of title 38, United States Code, to authorize the Administrator to enter into agreements for the central administration of intern and residency training, and would allow him to expend appropriated funds for the purpose of paying to the central administrative body the costs involved for the periods during which the trainee serves with the Veterans' Administration.

H.R. 472 is identical to a draft bill which was transmitted by the Veterans' Administration to the Speaker of the House of Representatives on May 15, 1969, and which was introduced as H.R. 11427, 91st Congress. A copy of the draft bill and a copy of our transmittal letter (Committee Print No. 74) is enclosed for your convenience. H.R. 11427 was pending before the committee at adjournment of the 91st Congress.

The reasons stated in our transmittal letter in support of the measure proposed in 1969, are equally applicable to H.R. 472. As previously noted, the proposed central administration of a program of training for interns and residents would greatly enhance our ability to participate in this important area of medical personnel training.

Accordingly, we recommend favorable consideration of the bill, enactment of which would result in no net additional cost to the Government.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the administration's program.

Sincerely,

DONALD E. JOHNSON, *Administrator.*

VETERANS' ADMINISTRATION,
OFFICE OF THE ADMINISTRATOR OF VETERANS' AFFAIRS,
Washington, D.C., May 15, 1969.

HON. JOHN W. MCCORMACK,
*Speaker of the House of Representatives,
Washington, D.C.*

DEAR MR. SPEAKER: Enclosed is a draft of a bill to amend title 38 of the United States Code to authorize the Administrator of Veterans' Affairs to enter into agreements with hospitals, medical schools or

medical installations for the central administration of programs of training for interns and residents, with the request that it be introduced in order that it might be considered for enactment.

The draft bill would amend section 4114(b) of title 38, United States Code, to authorize the Administrator to enter into agreements for the central administration of interns and residency training and would allow him to expend appropriated funds for the purpose of paying to the central administrative body the costs involved for the periods during which the trainee serves with the Veterans' Administration.

Under our present programs, there are three types of residents and interns: (1) those whose residency program is established and directed by a Veterans' Administration hospital and who, although they may serve a portion of their residency in other hospitals, receive the entire amount of their stipends, fringe benefits and leave privileges under Veterans' Administration regulations; (2) those whose residency program is established and directed by other than a Veterans' Administration hospital but who serve a portion of their residency in a Veterans' Administration hospital, receiving their stipends, fringe benefits, and leave privileges under Veterans' Administration regulations only for the periods they are serving in a Veterans' Administration hospital; and (3) those whose residency program is established and directed jointly by a Veterans' Administration hospital and one or more participating institutions and who serve on a rotating basis in the participating institutions, receiving their stipends, fringe benefits, and leave privileges under Veterans' Administration regulations only for the periods they are serving in a Veterans' Administration hospital. It is in the latter two types that administrative problems arise.

The movement of Veterans' Administration residency and internship programs toward professional unification with the programs of medical school hospitals is ever increasing. The Advisory Subcommittee on Programs for Exchange of Medical Information, a subcommittee of the Special Medical Advisory Group, authorized by section 5055 of title 38, United States Code, recently passed the following resolution:

"The subcommittee is conscious of the fact that the geometric advances of medical science are moving beyond the capacity of the single hospital to provide all that is required to produce the best educated resident. Thus, with increasing frequency, the residency is becoming an educational endeavor shared by a group of hospitals. Each participating hospital must be convinced that the individual resident 'belongs' to all and not just to the hospital in which he is physically present at the moment. For this reason, the Veterans' Administration is urged to do all in its power to create mechanisms which will provide the utmost flexibility in the scheduling and movement of residents between VA hospital and non-VA hospital. There should be no limitations of movement based upon distinctions of being on duty at the VA hospital or away from the VA hospital. Similarly, every effort should be made to minimize differences in pay scales and in fringe benefits among hospitals grouped for residency training, to assure a total income to the resident commensurate with his education and provision of valuable service as a byproduct of his

training as a resident. It is recommended, therefore, that in each VA hospital-non-VA hospital(s) combination, local VA hospital management be permitted the utmost discretion and capability to establish pay rates and to make scheduling arrangements appropriate for the local situation. This local adaptability will produce many individual variations in patterns of operation throughout the Nation, but this diversity will undoubtedly serve to 'graduate' the type of residents which the Veterans' Administration and the Nation need critically."

To accomplish intern and residency training within the concept now growing more prevalent, we feel that we must more and more resort to the integrated type of training wherein the trainee will serve a portion of his time in a Veterans' Administration facility and may receive training in several other nongovernmental hospitals. This creates tremendous problems in that the pay, fringe benefits, and leave policies differ in the various institutions involved. Thus, when a trainee moves from one institution to another, it results in a great deal of confusion as to his entitlement to fringe benefits and leave. Moreover, it involves different rates of pay and there are routine delays, particularly while serving with the Veterans' Administration, as would be the case in any Federal agency, in receiving his pay as a result of pay administration procedures. This situation can be remedied insofar as the nongovernmental hospitals are concerned and, in the past few years, we have been presented with more than 20 proposals for some type of accommodation which would permit us to participate in an intern or residency operation administered from a central point.

We feel that to do so would greatly enhance our ability to participate in this important area of medical personnel training. Moreover, it would be less costly in that our payments would be limited to those periods when the trainee is serving in our facility and the Veterans' Administration is receiving his service.

The enactment of this proposal would result in no net additional cost to the Government.

We are advised by the Bureau of the Budget that there is no objection from the standpoint of the Administration's program to the submission of this draft legislation to the Congress.

Sincerely,

W. J. DRIVER, *Administrator.*

A BILL To amend title 38 of the United States Code to authorize the Administrator of Veterans' Affairs to enter into agreements with hospitals, medical schools, or medical installations for the central administration of a program of training for interns or residents.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4114 of title 38, United States Code, is amended by deleting "(b)" at the beginning of subsection (b) and inserting in lieu thereof "(b)(1)" and by adding the following new paragraph:

"(2) In order to more efficiently carry out the provisions of paragraph (1) of this subsection, the Administrator may contract with one or more hospitals, medical schools, or medical installations having hospital facilities and participating with the Veterans' Administration in the training of in-

terns or residents to provide for the central administration of stipend payments, provision of fringe benefits, and maintenance of records for such interns and residents by the designation of one such institution to serve as an agency for this purpose. The Administrator may pay to such designated central administrative agency, without regard to any other law or regulation governing the expenditure of Government moneys either in advance or in arrears, an amount to cover the cost for the period such intern or resident serves in a Veterans' Administration hospital of (A) such stipends as fixed by the Administrator pursuant to paragraph (1) of this subsection, (B) hospitalization, medical care, and life insurance, and any other employee benefits as are agreed upon by the participating institutions for the period that such intern or resident serves in a Veterans' Administration hospital, (C) tax on employers pursuant to chapter 21 of the Internal Revenue Code of 1954, where applicable, and in addition, (D) an amount to cover a pro rata share of the cost of expense of such central administrative agency. Any amounts paid by the Administrator to such fund to cover the cost of hospitalization, medical care, or life insurance or other employee benefits shall be in lieu of any benefits of like nature to which such intern or resident may be entitled under the provisions of title 5 of the United States Code, and the acceptance of stipends and employee benefits from the designated central administrative agency shall constitute a waiver by the recipient of any claim he might have to any payment of stipends or employee benefits to which he may be entitled under this title or title 5 of the United States Code. Notwithstanding the foregoing, any period of service of any such intern or resident in a Veterans' Administration hospital shall be deemed creditable service for the purposes of section 8332 of title 5 of the United States Code. The agreement may further provide that the designated central administrative agency shall make all appropriate deductions from the stipend of each intern and resident for local, State, and Federal taxes, maintain all records pertinent thereto and make proper deposits thereof, and shall maintain all records pertinent to the leave accrued by each intern and resident for the period during which he serves in a participating hospital, including a Veterans' Administration hospital. Such leave may be pooled, and the intern or resident may be afforded leave by the hospital in which he is serving at the time the leave is to be used to the extent of his total accumulated leave, whether or not earned at the hospital in which he is serving at the time the leave is to be afforded."

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted in enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

TITLE 38 OF THE UNITED STATES CODE

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PART V—BOARDS AND DEPARTMENTS

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Chapter 73—DEPARTMENT OF MEDICINE AND SURGERY

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§ 4114. Temporary full-time, part-time, and without compensation appointments; residencies and internships

(a)(1) The Administrator, upon the recommendation of the Chief Medical Director, may employ, without regard to civil service or classification laws, rules, or regulations—

(A) physicians, dentists, nurses, dietitians, social workers, librarians, and other professional, clerical, technical, and unskilled personnel (including interns, residents, trainees, and students in medical support programs) on a temporary full-time, part-time, or without compensation basis; and

(B) physicians, dentists, nurses, and other professional and technical personnel on a fee basis.

(2) Personnel employed under paragraph (1) of this subsection shall be in addition to personnel described in section 4103, paragraph (1) of section 4104, and section 4111 of this title and shall be paid such rates of pay as the Administrator may prescribe.

(3)(A) Temporary full-time appointments of physicians, dentists, and nurses may exceed ninety days only if the Chief Medical Director finds that circumstances render it impracticable to obtain the necessary services through appointments under paragraph (1) of section 4104 of this title. Temporary full-time appointments of persons who have successfully completed a full course of nursing in a recognized school of nursing, approved by the Administrator, and are pending registration as a graduate nurse in a State, shall not exceed one year. Temporary full-time appointments of other personnel shall not exceed ninety days.

(B) No part-time appointment shall be for a period of more than one year, except for appointments of physicians, dentists, nurses and interns, and residents and other trainees in medical support programs.

[(b)](b)(1) The Administrator shall have authority to establish residencies and internships; to appoint qualified persons to such positions without regard to civil-service or classification laws, rules, or regulations; and to prescribe the conditions of such employment, including necessary training, and the customary amount and terms of pay during the period of such employment and training.

(2) *In order to more efficiently carry out the provisions of paragraph (1) of this subsection, the Administrator may contract with one or more hospitals, medical schools, or medical installations having hospital facilities and participating with the Veterans' Administration in the training of interns or residents to provide for the central administration of stipend payments, provision of fringe benefits, and maintenance of records for such interns and residents by the designation of one such institution to serve as an agency for this purpose. The Administrator may pay to such*

designated central administrative agency, without regard to any other law or regulation governing the expenditure of Government moneys either in advance or in arrears, an amount to cover the cost for the period such intern or resident serves in a Veterans' Administration hospital of (A) such stipends as fixed by the Administrator pursuant to paragraph (1) of this subsection, (B) hospitalization, medical care, and life insurance, and any other employee benefits as are agreed upon by the participating institutions for the period that such intern or resident serves in a Veterans' Administration hospital, (C) tax on employers pursuant to chapter 21 of the Internal Revenue Code of 1954, where applicable, and in addition, (D) an amount to cover a pro rata share of the cost of expense of such central administrative agency. Any amounts paid by the Administrator to such fund to cover the cost of hospitalization, medical care, or life insurance or other employee benefits shall be in lieu of any benefits of like nature to which such intern or resident may be entitled under the provisions of title 5 of the United States Code, and the acceptance of stipends and employee benefits from the designated central administrative agency shall constitute a waiver by the recipient of any claim he might have to any payment of stipends or employee benefits to which he may be entitled under this title or title 5 of the United States Code. Notwithstanding the foregoing, any period of service of any such intern or resident in a Veterans' Administration hospital shall be deemed creditable service for the purposes of section 8332 of title 5 of the United States Code. The agreement may further provide that the designated central administrative agency shall make all appropriate deductions from the stipend of each intern and resident for local, State, and Federal taxes, maintain all records pertinent thereto and make proper deposits thereof, and shall maintain all records pertinent to the leave accrued by each intern and resident for the period during which he serves in a participating hospital, including a Veterans' Administration hospital. Such leave may be pooled, and the intern or resident may be afforded leave by the hospital in which he is serving at the time the leave is to be used to the extent of his total accumulated leave, whether or not earned at the hospital in which he is serving at the time the leave is to be afforded.

(c) When the Chief Medical Director determines that it is not possible to recruit qualified citizens for the necessary services, appointments under this section may be made without regard to the citizenship requirements of section 4105 of this title or of any other law prohibiting the employment of, or payment of compensation to, a person who is not a citizen of the United States.

(d) The Chief Medical Director may waive for the purpose of appointments under this section the requirements of section 4105(a) of this title that the licensure of a physician or dentist, or the registration of a nurse must be in a "State," if—

(1) in the case of a physician or dentist, he is to be used on a research or an academic post or where there is no direct responsibility for the care of patients; or

(2) in any case, where the individual is to serve in a country other than the United States and his licensure or registration is in the country in which he is to serve.

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